



**central**  
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## ASX ANNOUNCEMENT

19 March 2010

ASX CODE: CTP

TO: The Manager, Company Announcements ASX Limited

### RENOUNCEABLE RIGHTS ISSUE – LETTER SENT TO SHAREHOLDERS

Attached is a copy of the letter mailed to Central Petroleum Limited ("CTP") shareholders today.

As a summary for information only and without the assumption of a duty of care by CTP:

1. As detailed in the letter, the Record Date for determining shareholder entitlements is 5.00pm (WST) on 6<sup>th</sup> April 2010. On 8<sup>th</sup> April 2010 eligible shareholders will be mailed a copy of the Entitlement Issue Prospectus together with a personalised Entitlement and Acceptance Form. The form includes various instructions on how eligible shareholders are to deal with their entitlements.
2. Any eligible shareholder holding shares on the Company's share register on the Record Date may (subject to the terms and conditions of the Entitlement Issue) participate in the Entitlement Issue to the extent of those eligible shares.
3. If a CTP optionholder wishes to participate in the Entitlement Issue in addition to their current entitlement as a shareholder, the optionholder may increase their shareholding by converting any or all of their options to shares in the manner outlined in the terms and conditions of those options prior to 30 March 2010.

The above points are not intended to serve as a summary of the rights of shareholders or optionholders, but rather to clarify certain aspects of the optionholder letter announced to the ASX on 18 March 2010 and the shareholder letter referred to above.

Shareholders are encouraged to read the Prospectus in detail and if unsure as to how to act in relation to the Entitlement Issue should seek appropriate professional advice.

John Heugh  
Managing Director  
Central Petroleum Limited

Wholly owned  
subsidiaries:

**merlin**  
**ENERGY**  
PTY LTD  
ABN 95 081 592 734

**ordiv**  
**PETROLEUM**  
PTY LTD  
ABN 29 111 102 697

**frontier**  
**OIL & GAS**  
PTY LTD  
ABN 91 103 194 136

**helium**  
**AUSTRALIA**  
PTY LTD  
ABN 11 078 104 006

**merlin**  
**WEST**  
PTY LTD  
ABN 59 114 346 968

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19 March 2010

[Address]

Dear Shareholder,

**RENOUNCEABLE ENTITLEMENT ISSUE**

Central Petroleum Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata renounceable entitlement issue on the basis of one (1) Share for every two (2) Shares held by Shareholders at an issue price of \$0.075 per Share together with one (1) free Option for every five (5) new Shares issued (**Offer**).

The entitlement issue will result in the issue of approximately 299,586,259 new shares and 59,917,252 new options in the Company.

The Offer is fully underwritten by Patersons Securities Limited. The Company has agreed to issue up to 59,917,252 additional options to the sub-underwriters of the Offer, in addition to the 59,917,252 options to be issued as part of the Offer.

The Prospectus relating to this issue has been lodged with the Australian Securities and Investments Commission and ASX and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) for inspection. The timetable and important dates of the issue are set out below:

Lodgement of Prospectus and Appendix 3B with ASIC and ASX	17 March 2010
Notice sent to Shareholders	19 March 2010
Ex Date (date on which Shares commence trading on a ex rights basis)	29 March 2010
Rights trading commences	29 March 2010
Record Date for determining Shareholder entitlements	6 April 2010
Prospectus despatched to Shareholders	8 April 2010
Rights trading ceases	15 April 2010
Closing Date of Offer	22 April 2010
Securities quoted on a deferred settlement basis	23 April 2010
Notify ASX of under-subscriptions	27 April 2010
Despatch date/Shares entered into Shareholders' security holdings	3 May 2010

The purpose of the issue is to raise approximately \$22,468,970 and the funds raised will be used for the purpose of funding the three well drilling programme in permit areas EP82 and EP115, the 2010 Geology and Geophysics work programme, as well as covering the costs associated with the Offer. Excess funds in hand may be applied to the drilling of an oil target in the Simpson prospect block within the EP 97 Rawson Resources Limited Joint Venture.



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The capital structure of the Company on completion of the issue will be as follows (assuming the Offer is fully subscribed):

### Shares

	Number
Shares on issue at date of Prospectus	599,172,518
Shares offered pursuant to the Offer	299,586,259
<b>Total Shares on issue after completion of the Offer<sup>1</sup></b>	<b>898,758,777</b>

### Options

	Number
Listed exercisable at \$0.16 on or before 31 March 2014	153,506,297
Listed exercisable at \$0.25 on or before 30 June 2010	95,947,703
Unlisted exercisable at \$0.20 on or before 31 May 2010	21,250,000
Unlisted exercisable at \$0.20 on or before 20 February 2011	7,000,000
Unlisted exercisable at \$0.30 on or before 30 November 2010	1,800,000
Unlisted exercisable at various prices on or before 3 January 2012	11,000,000
Unlisted exercisable at \$0.30 on or before 31 March 2011	1,450,000
Unlisted exercisable at \$0.33 on or before 31 July 2011	200,000
Unlisted exercisable at \$0.30 on or before 31 August 2011	500,000
Unlisted exercisable at \$0.25 on or before 17 November 2011	666,666
Unlisted exercisable at \$0.25 on or before 19 January 2012	1,000,000
Unlisted exercisable at \$0.25 on or before 16 February 2012	250,000
Unlisted exercisable at \$0.25 on or before 23 February 2012	200,000
Unlisted exercisable at various prices on or before 31 March 2014	7,500,000
Unlisted exercisable at \$0.20 on or before 31 March 2014	8,366,666
New Options offered pursuant to the Offer	59,917,252
New Sub-Underwriter Options	59,917,252
<b>Total Options on issue after completion of the Offer<sup>1</sup></b>	<b>430,471,836</b>

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In calculating entitlements under the entitlement issue fractions will be rounded up to the nearest whole number.

Shareholders will be entitled to trade their rights under the entitlement, the details of which will be outlined in the prospectus, which will be despatched to eligible shareholders on 8 April 2010.

The Company has made application to ASIC to have Patersons Securities Limited appointed as the nominee to deal with the entitlement of the overseas shareholders under the Entitlement Issue.

The offer under the Prospectus is made to Shareholders with registered addresses in Australia and New Zealand. Overseas shareholders should contact the Company Secretary with any queries.

Full detail of the issue will be contained in the Prospectus that will be mailed to all shareholders who are registered on the record date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'John Heugh', is written over a faint, light-colored rectangular stamp or watermark.

**John Heugh**  
**Managing Director**

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